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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 000757

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DEPARTMENT FOR EUR(DICARLO),  
EUR/SCE(HOH/FOOKS/STINCHCOMB/BELL), NSC FOR BRAUN

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TAGS: [PREL](#) [ECON](#) [HR](#) [BK](#)  
SUBJECT: BOSNIA: SANADER VISIT ADVANCES BILATERAL  
RELATIONS, BUT NOT HDZ UNITY

REF: A. ZAGREB 317  
[1](#)B. 06 SARAJEVO 2279  
[1](#)C. 06 SARAJEVO 2268

Classified By: POLCOUNS Michael J. Murphy. Reason 1.4 (b) and (d)

[1](#)1. (U) SUMMARY: Bosnian government officials and the Croatian DCM described Croatian Prime Minister Ivo Sanader's March 28-30 visit to Bosnia as positive and constructive. His impact on internal Bosnian Croat politics was less clear. Croatia and Bosnia concluded agreements on dual citizenship and border security collaboration. Sanader offered solutions to lingering territorial disputes, which the BiH government promised to consider, and said the Croatian government supported Bosnia and Serbia's efforts to move towards EU and NATO membership. He expressed support for critical reforms in Bosnia, as long as those reforms were achieved without disenfranchising or disadvantaging the Croat minority. Sanader also urged the two main Bosnian Croat nationalist parties to take a common position on constitutional reform. In addition to furthering bilateral ties, the visit raised Sanader's profile with Bosnian residents who will be eligible to vote in Croatian national elections in November. END SUMMARY.

HDZs: SO NEAR AND YET SO FAR  
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[1](#)2. (SBU) During his March 28-30 official visit to Bosnia (REF A), Sanader downplayed his desire to reconcile the two main Bosnian Croat nationalist parties. On March 28 he told local reporters he would meet with HDZ-BiH leader Dragan Covic and HDZ-1990 leader Bozo Ljubic "if there was time." Nevertheless, there was widespread speculation that Sanader's real purpose in visiting Bosnia was to unify the two HDZs, or at least bring them to a common position on constitutional reform. The timing of the visit suggested to many that Sanader was here also to secure Covic and Ljubic's support for HDZ-Croatia in advance of Croatia's November parliamentary elections.

[1](#)3. (SBU) Five seats in the Croatian National Assembly represent the so-called "11th electoral unit," i.e., the Croat diaspora. Bosnian residents (including some Bosniaks and Serbs with dual citizenship) make up roughly 310,000 of the 365,000 registered Croatian diaspora voters. Sanader has close ties to HDZ-1990, the newer, smaller and weaker Croat nationalist party in BiH, and may need HDZ-BiH support to win

seats in the 11th electoral unit. Voter turn-out in BiH for Croatian elections has declined sharply, from 86 percent in 2000 to 58 percent in 2003. As the October 2006 elections in Bosnia demonstrated, HDZ-BiH has the more effective party machine for getting out the vote (REF B).

¶4. (C) Bosnian and Croatian government representatives told us Sanader assured his interlocutors that Croatia did not intend to interfere in any way with substantive discussions between the constituent peoples on constitutional reform. Croatian DCM Dunja Jevak said Croatia's only goal was to see the two parties form a consensus position that protected Bosnian Croats from losing any rights or "equality" because of constitutional changes. DCM Jevak told us she thought the two Croat party leaders "got the message."

¶5. (C) During a joint press conference on March 29, Sanader, Ljubic and Covic announced that HDZ-BiH and HDZ-1990 agreed to seek a common position on constitutional changes. Sources in the HDZ-1990 indicated to us that both sides were committed to making a genuine effort. However, in subsequent public statements and private meetings, Covic (who has a history of not honoring deals with Ljubic) said there is no consensus and suggested the HDZ-BiH would go its own way in upcoming constitutional reform talks.

#### DUAL CITIZENSHIP AGREEMENT A WIN-WIN

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¶6. (C) Croatia and Bosnia concluded an agreement on dual citizenship during Sanader's visit. The agreement reaffirms that people who currently hold dual Bosnian and Croatian citizenship (including Bosniaks and Serbs) will retain that

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status. President Radmanovic's Chief of Cabinet Miroslav Bojicic told us the agreement is particularly advantageous to Bosnians, who see more economic opportunities in Croatia and also hope to be able to travel more easily to Western Europe once Croatia joins the EU. (COMMENT: At the same time, the agreement is also a way for Sanader to demonstrate to diaspora voters that he is working in their interest. END COMMENT.)

#### PROMOTING EU INTEGRATION, NOT CROAT EMIGRATION

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¶7. (C) Foreign Ministry Assistant Minister for Bilateral Affairs Jadranka Negodic told us FM Sven Alkalaj and BiH Prime Minister Nikola Spiric did not believe Sanader was encouraging Bosnian Croats to look to Zagreb to solve their problems. She said Bosnian leaders were pleased with Sanader's statements of support for domestic reforms that further integrated Bosnia into Euro-Atlantic institutions, for the benefit of all constituent peoples. DCM Jevak said Sanader's government did not want Croats in BiH emigrating to Croatia once it joins the EU, as that would be a burden on the country's economy and infrastructure. On the contrary, she explained, Sanader was committed to making Croats feel "at home" in Bosnia. Towards that end, his government was seeking closer economic ties, and also considering providing financial support from the Croatian state budget to Croat educational and cultural institutions in Bosnia, such as the Croat Cultural Society "Napredak."

#### CONTINUED DISCUSSIONS ON TERRITORIAL DISPUTES

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¶8. (U) Negodic and Bojicic praised Sanader's unexpectedly constructive approach to several outstanding territorial issues. In particular, he offered Bosnia Most Favored Nation Status regarding use of the Ploce port. (NOTE: The port was built using Bosnian government funds during the Communist era, but now lies in Croatian territory. END NOTE.) According to DCM Jevak, this would give Bosnian shipping firms unlimited access to the port under the same fees and

regulations as Croatian companies, and entitle them to representation on the Ploce Port Administration Council. Prime Minister Spiric told Sanader the Bosnian government would consider the offer.

¶9. (U) The two sides agreed to defer discussion on construction of a controversial trans-border bridge until after experts had produced a report on technical specifications. The bridge would connect the Croatian-owned Peljesac peninsula to the Croatian mainland by overarchng a portion of Neum. Sanader also proposed Croatia and BiH submit the question of which country rightfully controlled the waters off the Neum shore to international maritime arbitration. Neum is Bosnia's only port city, but control of the port is of limited utility without unfettered access to the Adriatic sea.

¶10. (SBU) No way forward was found, however, on resolving the ownership of two small islands off Neum's coast that are claimed by both countries, or the question of where the border actually lies along the Una river in northwest Bosnia. Bojicic told us no one expected Sanader's visit to produce concrete solutions to these disputes, but his government appreciated Sanader's proactive efforts to restart discussions. The two governments concluded an agreement that, regardless of where the border lies, they would collaborate more closely on border patrol and security.

COMMENT  
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¶11. (C) There was consensus among Bosnian and Croatian government representatives that the bilateral relations aspect of Sanader's three-day visit to Bosnia was productive. But the Croatian Prime Minister's trip was as much a campaign swing as an official visit. Sanader tried hard to woo BiH residents who are eligible to vote in Croatia's national elections with the dual citizenship agreement and promises of economic aid. However, whether his attentions translate into Bosnia-based votes in November depends largely

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on HDZ-BiH. It appears Sanader's efforts to mediate a common position on constitutional reform between HDZ-BiH and HDZ-1990, let alone unify the two parties, were unsuccessful, at least for the moment. It is not clear what Covic wants in exchange for using the well-organized HDZ-BiH machine to get out the vote for Sanader. On thing is certain: Covic sees no domestic political advantage in reconciling with his rival Ljubic simply to please the Sanader government. He has not forgotten that Sanader openly backed the rebellion within the HDZ last summer that led to the creation of HDZ-1990 and then threw his support behind the fledgling party during October elections (REF C).  
MCELHANEY